The Winnipeg School Division No. 1

Brief

to the

Honourable Len Derkach

Minister
of
Education
and
Training

February 1991

To The Honourable Len Derkach
Minister of Education and Training

The Board of Trustees of the Winnipeg School Division is dismayed at the announcement of a 2% increase in funding for school divisions across the Province for 1991/92. This announced increase amounted to a **decrease** of $66,300 in total grant support for The Winnipeg School Division No. 1.

This funding represents a further shift in the burden of Education costs from Provincial Revenues to the homeowner. The lack of long range planning by the Provincial Government will result in severe financial constraints on the Education System.

FUNDING

The change in the funding formula for 1991/92 provides for a per pupil grant for each division in the Province based on the 1990/91 funding support for Block Equalization and guaranteed support and will result in the following per pupil grants for divisions in Metro Winnipeg:

Seven Oaks	$3195.00
Norwood	3167.00
St. Boniface	3149.00
St. Vital	3132.00
River East	3099.00
Transcona-Springfield	3068.00
St. James-Assiniboia	3063.00
Winnipeg	2948.00
Fort Garry	2734.00

The inequitable relationship of these per pupil grants can be brought into perspective by the following statistics on per pupil expenditures and support increases for the four years, 1985-88 inclusive.

Increases in:	Winnipeg Sch.Div.	Other Metro Divisions	All Divisions in Prov.
- Operating Expenditures	23.3%	24.1%	21.4%
- Operating Expenditure/Pupil	20.9%	22.5%	21.4%
- Operating Support	9.7%	18.7%	15.0%
- Operating Support/Pupil	10.8%	16.1%	15.1%

An additional 5.3% in per pupil support for the Winnipeg School Division (16.1% - 10.8%), based on the 1991/92 per pupil allocation would mean an additional $156 per pupil for this Division or a total of $4,900,000 in operating support for the 1991/92 fiscal year.

The following table provides a summary of the block, equalization and guarantee support received by the Division from the Province since 1985 compared to the Winnipeg Cost of Living Index:

Year	Total of Block Equalization and Guarantee Support	Actual % Winnipeg Increase	Announced Provincial % Increase	Winnipeg C.P.I.
1985	$79,674,875.	-	-	4.2
1986	80,471,624.	1.0	3.0	4.5
1987	82,885,773.	3.0	6.8	4.2
1988	83,663,490.	.94	3.7	4.2
1989-90	87,915,163.	*	*	4.7
1990-91	91,942,224.	4.58	4.9	4.6
1991-92	92,630,582.	.75**	1.0	N/A

* Not Comparable Due To Change To School Year/Fiscal Year

** Due Only To Projected Enrolment Increase

The Winnipeg School Division's prime criticism of the Government Support to Education (GSE Program) is that this Division has not received its fair share of funding increases during the last 6-1/2 years.

SPECIAL NEEDS

The Winnipeg School Division has made the point on a number of occasions that this Division educates a disproportionate share of Special Needs Students.

The following table outlines the percentage of Special Needs Students in the Winnipeg School Division compared to the total Province.

	Total Province	Winnipeg School Division No. 1	%
Eligible Enrolment 9/90	182,017.8	31,276.8	17.2
Low Incidence II	1,301.0	262.0	20.1
Low Incidence III	248.0	72.5	29.2
E.S.L. Students	3,472.5	1,497.5	43.1
Native Students (E.L.D.N.S.)	7,985.1	3,753.0	47.0
Special Education Students in segregated classes as of September, 1989	1,815.0	633.0	34.9

(Information from Department of Education Statistics)

As a result of the characteristics of the inner city, the most significant expenditure growth is being experienced in the delivery of programs to students with special needs. In 1986 the Division spent 15.3% of its Operating budget on students with special needs or $719 for each full-time equivalent grade K-12 pupil. In 1990-91 the percentage has increased to 17.8% of the Operating Budget or $1,100 for each K-12 pupil.

EXPENDITURES

As indicated earlier in the Brief, between 1985 and 1988, per pupil expenditures in this Division rose by 20.9%, while per pupil/expenditures in other divisions in Metro Winnipeg increased by 22.5% and per pupil costs in the Province increased by an average of 21.4%.

The following table indicates the percentage of budget and the per pupil cost for the various functions of expenditure.

	Province Per Pupil 1988	%	Winnipeg Per Pupil 1988	%	Winnipeg Per Pupil 1990/91	%
Regular Instruction	$2645.	58.4	$2638.	50.6	$2986.	48.3
Exceptional Instruction	471.	10.4	827.	15.9	1100.	17.8
Vocational	85.	1.9	104.	2.0	115.	1.9
Community Education	34.	.7	146.	2.8	201.	3.3
Administration	191.	4.2	175.	3.4	205.	3.3
Instructional & Pupil Support	232.	5.1	375.	7.2	464.	7.5
Transportation	246.	4.8	77.	1.5	92.	1.5
Operating & Maintenance	553.	12.2	733.	14.1	876.	14.2
Fiscal	105.	2.3	127.	2.5	137.	2.2
Total	$4,532.	100.0	$5,202.	100.0	$6,176.	100.0

Between 1988 and 1990/91, the per pupil cost for Exceptional Instruction in the Winnipeg Division increased from $827 per full-time equivalent pupil to $1100 per full-time equivalent pupil, an increase of 33%, while regular instruction costs have increased only 14.7% during the same period. This increase in Exceptional Instruction is indicative of the extreme pressures placed on this Division relative to special education, special needs, and the inner-city component of the Division.

One of the specific areas where excessive costs are being borne by the local taxpayer is the provision of clinician services. Funding is available on a ratio of 1 clinician grant for each unit of 900 pupils. At present this Division staffs on the basis of 1 clinician for each unit of 400 pupils in the Division.

The costs borne by the Winnipeg Division taxpayers for clinician services are as follows:

Winnipeg Staff Complement 89 Clinicians, and related costs	$6,100,400
Categorical grant 35 Eligible Units of $34,100	1,193,500
Net amount Funded by Winnipeg Taxpayers	$4,906,900

CATEGORICAL SUPPORT

The basis for the recognition of special needs programming is the categorical funding program under the funding formula. The following summary of categorical funding indicates the funding to this Division since 1985.

	Categorical Grants	Increase	%
1985	$12,316,674.	-	-
1986	14,825,772.	$2,509,098.	20.4
1987	15,709,834.	854,062.	6.0
1988	17,329,912.	1,620,078.	10.3
1989-90	16,790,052.	(539,860.)	(3.1)
1990-91	17,323,748.	533,696.	3.2
1991-92	17,400,016.	76,268.	.4

From 1988 to 1990/91 categorical funding decreased by approximately $6,000 while Exceptional Instruction costs increased by 35.4% or almost 9 million dollars. This is clearly an area where present program resources cannot be maintained unless adequate funding is received.

In addition to the Categorical Support the Winnipeg School Division has received a Special Grant of $2,000,000 since 1982 to recognize Inner City needs.

In 1989/90 and 1990/91 the Division received an additional $750,000 in each year to recognize the fact that this Division has received the minimum support under the Government Support to Education Program since 1985.

Further, the Division was provided with an additional $1,200,000 grant in 1990/91 as a recognition of Inner City Programming requirements.

If the funding of $750,000 plus $1,200,000 is not continued for 1991/92, this Division will be treated differently than any other division in the Province in that we would not be guaranteed funding at the 1990/91 level.

Notwithstanding the fiscal concerns on a province-wide basis, the Trustees of The Winnipeg School Division No. 1 would request that the additional grants provided to the Division in 1990/91 in the amount of $1,950,000 be continued until a proper funding program is in place which adequately recognizes the special needs of this Division.

ASSESSMENT

The Winnipeg School Division has not benefited from the implementation of Market Value Assessment to the same degree as other Metro Winnipeg School Divisions.

The following tables indicate the increase in assessment between 1989 and 1990 based on the implementation of the 1985 Market Value Assessment.

Division	1989 Total Taxable Assessment	1990 Total Taxable Assessment	% Increase
Winnipeg	$2,793,415,410.	$6,328,147,740.	226.5
St. James-Assiniboia	1,067,088,260.	2,389,481,890.	224.9
Assiniboine South	588,164,140.	1,509,833,690.	256.7
St. Boniface	454,032,130	1,059,295,890.	233.3
Fort Garry	682,051,960.	1,626,488,660.	238.4
St. Vital	615,179,360.	1,476,642,470.	240.0
Norwood	133,396,960.	301,397,690.	225.0
River East	738,301,920.	1,680,296,710.	227.6
Seven Oaks	530,271,350.	1,247,221,580.	235.2
Transcona-Springfield	380,348,810.	853,216,540.	224.3
TOTAL	**$8,045,491,290.**	**$18,634,266,620.**	**231.6**

Division	1989 Residential Assessment	1990 Residential Assessment	% Increase
Winnipeg	$1,132,753,010.	$ 2,635,566,000.	232.7
St. James-Assiniboia	529,906,220.	1,244,376,470.	234.8
Assiniboine South	462,932,910.	1,179,449,240.	254.1
St. Boniface	285,741,310.	697,127,480.	244.0
Fort Garry	328,802,270.	812,278,110.	247.0
St. Vital	447,190,270.	1,097,108,110.	245.3
Norwood	67,188,300.	170,992,810.	254.5
River East	562,633,480.	1,299,574,680.	231.0
Seven Oaks	385,217,750.	944,249,930.	245.1
Transcona-Springfield	236,718,790.	556,990,110.	235.3
TOTAL	**$4,439,084,310.**	**$10,637,712,940.**	**239.6**

TOTAL

As indicated, Winnipeg School division has the second lowest increase in assessment value for Residential 1 assessment which confirms the hardship placed on the average homeowner in this Division resulting from the inequitable funding formula. In addition, a number of school divisions in Metro Winnipeg will experience assessment growth in the 3-4% range for 1991, while assessment in the Winnipeg School Division will increase less than 1%.

PROPERTY TAXES

Education Support Levy

In 1990, taxpayers of the Winnipeg School Division were assessed $55,735,036 toward the Provincial Education Support Levy, while the Government Support to Education Program estimated grants amounted to $119,814,300 for the 1990-91 fiscal year. With the contribution to the Education Support Levy, only 32.5% of expenditures in the Winnipeg School Division was provided by the consolidated revenues of the Province of Manitoba for the 1990-91 fiscal year, while 28.8% was provided through the Education Support Levy. This means that 65.1% of the Division's Budget is raised through property taxation in this Division.

The Government's announced funding for school divisions for 1991-92 included an increase of 2% in the Education Support Levy on commercial assessment. It is estimated that businesses located within the Winnipeg School Division will be required to pay an additional $750,000 as a result of this increase, while there will be an estimated decrease of $66,300 in provincial funding for the Division for 1991/92.

SPECIAL LEVY

As indicated earlier in the Brief, this Division has not benefited as greatly as some divisions with the implementation of Market Value Assessment, especially in relation to Residential I Assessment. This puts further pressure on taxpayers in this Division as the Special Levy Tax is a uniform levy on both residential and business assessment. The following tables indicate the relative special levy mill rates in all Metro Winnipeg School Divisions in 1989 and 1990.

SPECIAL LEVY MILL RATES
1989 - 1990

	1989	1990	Increase (Decrease)*
Winnipeg	17.893	18.085	.192
Seven Oaks	16.663	17.311	.648
Fort Garry	15.528	15.104	.475
St. Boniface	14.285	12.942	(.424)
Norwood	15.566	14.953	(1.115)
Assiniboine South	16.208	15.093	(.613)
River East	15.034	14.486	(.548)
St. Vital	14.946	15.421	(1.343)
Transcona-Springfield	13.264	12.026	(1.238)
St. James-Assiniboia	12.877	11.640	(1.237)

* Includes Factor for Adjustment to 1985 Market Values

In 1990 all but three school divisions in Metro Winnipeg were able to reduce the special levy mill rate primarily due to the effects of reassessment.

1991-92 BUDGET

In order to maintain program levels reflected in the 1990-91 budget for the 1991-92 fiscal year, an expenditure level of $209,042,600 would be required. The following summary shows the effect of this budget level on special levy and taxes based on the 0% increase in Provincial revenues announced by the Minister of Education on January 22, 1991. In order to achieve the direction provided by the Board related to a 6% tax increase, the expenditure level will have to be reduced to a level of $200,120,900. This is a reduction of $8,921,700 from the stand pat budget level of $209,042,600 or a reduction of $10,229,000 from the preliminary budget level of $210,349,900.

ESTIMATED 1991-92 STAND PAT BUDGET

	1990-91 Budget	1991-92 Budget	Increase	% Increase
Total Expenditure	$196,057,000*	$209,042,600	$12,985,600	6.62
Total Revenue	125,117,200*	125,338,400	221,200	.18
Special Levy (Fiscal)	$ 70,939,800	$ 83,704,200	$12,764,400	17.99
Special Levy (Calendar)	$ 66,618,525	$ 76,982,013	$10,363,488	15.56

* Adjusted to comparable 1991-92 Budget Presentation

1 Mill raises	$ 3,683,640	$ 3,720,476		
School Mill Rate	1990	1991		
Education Support Levy	9.957	9.957	0	0
Special Levy	18.085	20.691	2.606	14.41
Total Mill Rate	28.042	30.648	2.606	9.29
School Taxes on Home - (Residential) assessed at $24,500				
Education Support Levy	$243.95	$243.95	0	0
Special Levy	443.08	506.94	$63.86	14.41%
Total	$687.03	$750.89	$63.86	9.29%

The administration was directed by the Board of Trustees to prepare a draft budget for the 1991-92 school year which would result in a net increase of 6% in property tax to home owners in 1991. This requires a reduction of $8,921,700 to $200,120,900 from the stand pat budget of $209,042,600 or a reduction of $10,229,000 from the preliminary budget of $210,349,900. Although specific areas are identified for reduction, discussions during the budget process over the next two months will determine ultimately where adjustments are to be made. The effect of this budget direction is as follows:

ESTIMATED 1991-92 BUDGET
(6% Property Tax Increase)

	1990-91 Budget	1991-92 Budget	Increase	% Increase
Total Expenditure	$196,057,000*	$200,120,900	$ 4,063,900	2.07
Total Revenue	125,117,200*	125,338,400	221,200	.18
Special Levy (Fiscal)	$ 70,939,800	$ 74,782,500	$ 3,842,700	5.42
Special Levy (Calendar)	$ 66,618,525	$ 73,502,550	$ 6,884,025	10.33

* Adjusted to comparable 1991-92 Budget Presentation

1 Mill raises	$ 3,683,640	$ 3,720,476		
School Mill Rate	1990	1991		
Education Support Levy	9.957	9.957	0	0
Special Levy	18.085	19.756	1.671	9.24
Total Mill Rate	28.042	29.713	1.671	5.96
School Taxes on Home - (Residential) assessed at $24,500				
Education Support Levy	$243.95	$243.95	0	0
Special Levy	443.08	484.02	$40.94	9.24%
Total	$687.03	$727.97	$40.94	5.96%

As part of the decision-making process of identifying areas for adjustment, input was sought from principals, superintendents, and trustees.

In dealing with the financial constraints caused by the lack of adequate funding, three options have been considered:

1. Raise Taxes
2. Use surplus funds to reduce tax requirement
3. Reduce the expenditure level.

1. Taxes

The matter of property tax levels has been considered by the Board of Trustees and it is generally felt that property tax levels must be contained to protect those home owners on fixed and limited incomes. While direction was given to prepare a Budget reflecting a 6% tax increase, some trustees believe that even this increase is too high.

The following table indicates the total school tax for property owners in the Metro Winnipeg School Division for 1990 based on the average on a home in the Winnipeg School Division assessed at $24,500.

	1990 Special Levy Mill Rates	Special Levy	Education Support Levy	Total School Taxes
Winnipeg	18.085	$443.08	$243.95	$687.03
Seven Oaks	17.311	$424.12	$243.95	$668.07
St. Vital	15.421	$377.81	$243.95	$621.76
Fort Garry	16.208	$370.05	$243.95	$614.00
Assiniboine South	16.208	$369.78	$243.95	$613.73
Norwood	15.566	$366.35	$243.95	$610.30
River East	15.034	$334.91	$243.95	$578.86
St. Boniface	14.285	$317.08	$243.95	$561.03
Transcona-Springfield	13.264	$294.64	$243.95	$538.59
St. James-Assiniboia	12.877	$285.18	$243.95	$529.13

Total school property taxes are 30% higher in Winnipeg compared to the lowest taxed division, while the Special Levy taxes are 55% higher in Winnipeg than in that same division.

2. Surplus

As of June 30, 1986* the total average accumulated surplus for school divisions in Manitoba was $23.2 million or 3% of the total operating expenditure. The Winnipeg School Division as of June 30, 1990 had a surplus of $386,648 or two-tenths of one percent (.2%) of its 1990-91 operating budget. The following table provides a summary of the accumulated surplus since 1984.

Dec. 31, 1984	$2,012,546
Dec. 31, 1985	(1,706,685)
Dec. 31, 1986	1,777,084
Dec. 31, 1987	4,229,627
Dec. 31, 1988	4,916,576
June 30, 1989	105,765
June 30, 1990	386,648

The significant reduction in surplus for the period ended June 30, 1989 compared to December 31, 1988, was due to the change in the Fiscal Year. FRAME accounting policies allowed the Division to disclose its salary accrual for teachers' salaries by way of a note to the Financial Statement. With the change in the fiscal year from December 31 to June 30, there no longer was an accrual as all teachers' salaries were payable on June 30th. We are aware that some school divisions in Metro Winnipeg have surplus funds in excess of 3% of their operating budgets.

* This is the most recent data available to the Division.

3. Reduction in Expenditure Level

In order to achieve a 6% increase in total school taxes, the expenditure level would have to be reduced by $8,900,700.

The following proposed Budget Reductions for 1991-92 are currently under review by the Board of Trustees.

Acct. No.		Details	Estimate	
1233 6.0		Teaching Positions - Elementary	$278,400.	
		Substitutes	7,300.	
7.0		Teaching Positions - Secondary	352,100.	
		Substitutes	9,500.	
		Elementary Violin Program	93,700.	
		Secondary Spec. Music Program	47,000.	
1235	10.0	Lab. Assistant Positions	276,300.	
1240		Employee Benefits	73,300.	
				$1,137,600.
Exceptional Instruction				
2233 5.0		Teaching Positions - Elementary		$239,000.
		Substitutes	6,500.	
	10.0	Teaching Positions - Secondary	489,000.	
		Substitutes	13,200.	
2433 1.0		Spec. Ed. Unit Consultant Pos.	64,200.	
1.0		D.W. Testing Position	54,600.	
2435	10.0	Resource Inst. Teacher Aides-El.	147,500.	
	10.0	Spec. Needs/Alt.Teach. Aides-Sec.	163,000.	
	10.0	Spec.Cases Teacher Aides - Sec.	172,000.	
2535	18.0	Clinician Position	909,000.	
22/24/2540		Employee Benefits	146,600.	
				2,404,600.
Community Education and Services				
4332		Salaries-Summer Enrich.Prog.	$ 4,100.	
4333		Salaries-Summer Enrich.Prog.	76,300.	
4335		Salaries-Summer Enrich.Prog.	26,500.	
4340		Employee Benefits	4,500.	
4371		Summer Enrichment Program	16,800.	
4435 2.0		Nursery Teacher Aides Positions	284,000.	
4440		Employee Benefits	38,600.	
				450,800.
Administration				
5000		Resource Reduction	$ 250,000.	
				250,000

Instructional and Pupil Support Services

6133	1.0	Coordinator (G&T) Position	$ 65,500.	
	13.0	Consultant Position	804,700.	
		Substitutes - D.W. Testing	51,500.	
6137		Clerical - D.W. Testing	9,200.	
6140		Employee Benefits	33,900.	
6151		Services - D.W. Testing	15,000.	
6171		Supplies - D.W. Testing	6,800.	
6176		Minor Equipment - D.W. Testing	3,000.	
6235	25.80	Library Clerk Positions - Elem.	533,100.	
	18.25	Library Clerk Positions - Sec.	420,900.	
6236	5.00	Library Tech. Assistant Positions	142,000.	
6240		Employee Benefits	151,000.	
				2,236,700.

Transportation

7955		Summer Enrichment Program	$ 8,400.	
				8,400.

Operations and Maintenance

8236	25.0	Caretaking Positions	$ 767,500.	
8240		Employee Benefits	106,700.	
Various		Work Order Estimates	853,900.	
				1,728,100.
				$8,216,200.

Other

	Reduction in Provision for Salary Revision	901,000.
	TOTAL REDUCTIONS	$9,117,200.

The proposed expenditure reductions will impact on the level of resources being provided students in the Division. In the areas of Special Education and Child Guidance Clinic services, the majority of those services are provided to students who would benefit from an increased level of service not a decrease.

SUMMARY

The Winnipeg School Division is being funded under a funding program established in 1981 which is totally inadequate to meet the needs of the public school system in the 1990's.

The distribution of available funds for 1991/92 is an advantage to those divisions which have had a number of years of declining enrolment, does not take into consideration assessment revisions for 1991, provides inadequate support for special needs and provides a guarantee of the 1990/91 funding levels to every division in the Province except The Winnipeg School Division No. 1.

The Winnipeg School Division is the only school division which is not being guaranteed funding at the 1990/91 level to the extent that the special grants of $1,950,000 which were provided in 1990/91 are currently not being provided for 1991/92.

If further funding is not forthcoming from the Province, the Division will be faced with significant budget cuts.

In conclusion, we would request a 2% increase in funding for The Winnipeg School Division No. 1 for 1991/92 and the reinstatement of special grants in the amount of $1,950,000.

Thank you for your consideration of this Brief.